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SUBJECT: INDONESIANS CRAVE MORE U.S. EDUCATION OPPORTUNITIES

¶1. Summary: Education initiatives took center stage during the DCM's visit to Yogyakarta on Monday, 14 December 2009. During meetings with the Rector of Gadjah Mada University and the Yogyakarta Chamber of Commerce, several opportunities for cooperation emerged to expand student exchanges and build educational linkages between Indonesia and the U.S. Such collaboration will contribute to advancing Embassy Jakarta's top priority - higher education. End summary.

¶2. On 14 December, DCM, accompanied by USAID and PAS officers, met with the Rector of Gadjah Mada University (UGM) Yogyakarta, Professor Sudjarwadi. A trained civil and environmental engineer alumnus of Iowa University, Rector Sudjarwadi oversees one of the largest public universities in Indonesia. A reputable institution both domestically and abroad, UGM boasts a history of alumni ascending to high-profile positions, particularly within the Ministry of Foreign Affairs.

¶3. Rector Sudjarwadi is one of Embassy Jakarta's strongest interlocutors. Mission Jakarta thus looks forward to identifying further opportunities to deepen collaboration with his institution. Specifically, UGM will be hosting a "World Conference on Science, Education and Culture" and a "Colloquium in Honor of Dr. Ann Dunham Soetoro" in October 2010. Rector Sudjarwadi has asked for assistance in the compilation of U.S. experts to participate in these events. DCM also informed the Rector and UGM staff present at the meeting about the USAID university partnership grant program. Details of the application and proposal process are being sent to the Rector and his staff. Deepening this relationship with UGM will greatly contribute towards achieving Embassy Jakarta's objectives under its top priority - education.

¶4. DCM also visited the American Corner at UGM. Located in the center of the campus, this first floor, sunny corner of one of the library buildings boasts wi-fi and DVC capability. It was packed with students from various disciplines, including international relations, communications, and English.

¶5. Members of the Yogyakarta Chamber of Commerce, George Iwan Marantika, Eddy Purjanto and Robby Kusumaharta hosted a lunch for the DCM and Mission colleagues where discussion also turned to education. The hosts urged Embassy Jakarta to expand significantly opportunities for business education in the U.S., particularly in the area of entrepreneurship. While Embassy Jakarta is currently working on numerous on-going education initiatives - including EducationUSA expansion and the USAID program to foster partnerships between universities in Indonesia and the United States - the DCM stressed the importance of assistance and support from the business community as well. Our hosts appreciated these activities, particularly the successes of the USAID SENADA program, and suggested that the U.S. return to its previous approach, which they described as aggressive in recruiting and promoting education opportunities in the U.S.

¶6. In addition to education, our hosts also discussed recent economic conditions. Yogyakarta experienced only 2% growth in 2009 and currently suffers from 20% unemployment, primarily attributable to the lingering effects of the 2006 Bantul earthquake. The

two-year moratorium on business tax payments also just ended. Finally, U.S. duties on Indonesian products are taking their toll on Indonesian small businesses. Our hosts stressed that with regard to U.S. duties they deserve the same treatment as their counterparts in the Philippines, Thailand, Taiwan, and Vietnam.

17. Yogyakarta's economic growth has traditionally been propelled fairly evenly across business, education, government, and tourism. The current growth rate is derived solely from the education and tourism sectors. Although the investment climate is improving in general, thanks in large part to good governance by the Sultan (who is also the Governor of the special district of Yogyakarta), business wants a significant push for foreign direct investment in the region - specifically in the areas of information technology, agro-business, renewable energy, and tourism. The Chamber of Commerce also showed interest in resurrecting the prior sister-state relationship between Yogyakarta and California, which was side-lined by the Asian financial crisis.

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